MEGAWATT LITHIUM AND BATTERY METALS CORP.

Management's Discussion & Analysis

For the three and nine months ended June 30, 2024 and 2023

(Expressed in Canadian dollars)

This Management's Discussion and Analysis ("MD&A") supplements, but does not form part of, the condensed interim consolidated financial statements of MegaWatt Lithium and Battery Metals Corp. (the "Company" or "MegaWatt") and its subsidiaries as well as the notes thereto for the three and nine months ended June 30, 2024 and 2023 (collectively referred to hereafter as the "Financial Statements"). The Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards"), as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee including International Accounting Standards ("IAS") 34 *Interim Financial Reporting*. All amounts are presented in Canadian dollars, the Company and its subsidiaries' presentation currency, unless otherwise stated. The functional currency of the Company and its subsidiaries is disclosed in the notes to the Financial Statements. References to US$ are to United States dollars. Other information contained in this document has been prepared by management and is consistent with the information contained in the Financial Statements.

The following MD&A of the financial condition and results of operations of the Company has been prepared by management and should be read in conjunction with Financial Statements of the Company. In addition, the MD&A should be read in conjunction with the audited consolidated financial statements for the years ended September 30, 2023 and 2022 (the "Annual Financial Statements"), as some disclosures from the Annual Financial Statements have been condensed or omitted. Additional information relating to the Company is available on the Company's website at https://megawattmetals.com/ and on SEDAR+ at www.sedarplus.ca under MegaWatt Lithium and Battery Metals Corp.

This MD&A is current as of August 28, 2024 (the "MD&A Date") and was approved and authorized by the Company's Board of Directors.

In this MD&A, the words "we", "us", or "our", collectively refer to MegaWatt. The first, second, third, and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The nine months ended June 30, 2024 and 2023 are referred to as "YTD 2024" and "YTD 2023", respectively.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, or achievements to be materially different from any of its anticipated results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements.

The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

BUSINESS OVERVIEW

The Company was incorporated on December 11, 2017 under the laws of British Columbia. On July 20, 2019, the Company completed its initial public offering and listed on the Canadian Securities Exchange under the symbol "MEGA". On April 20, 2022, the Company's common shares commenced trading on the OTCQB under the symbol "WALRF". The head office and principal address of the Company is located at Suite 1500 - 1055 West Georgia Street, Vancouver, BC, V7X 1M5. The Company's principal business activities include the acquisition and exploration of exploration and evaluation assets in Canada and Australia.

(Expressed in Canadian dollars)

As at June 30, 2024, the Company had not yet determined whether the Company's exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition.

As at June 30, 2024, the Company had a working capital deficit of $317,842 (September 30, 2023 - $270,107), an accumulated deficit of $28,801,646 (September 30, 2023 - $27,804,640) and has not generated revenue to date. The Company's operations to date have been funded through the issuance of equity and debt. These factors represent a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

ACQUISITION OF LABRADOR

Labrador Mineral Resources Inc. ("Labrador") is a private company existing under the laws of British Columbia whose principal business is the exploration and development of the Benedict mountains uranium property (the "Benedict Mountains").

On May 7, 2024, the Company closed the acquisition of a 100% ownership of Labrador pursuant to a share exchange agreement effective April 1, 2024 (the "Share Exchange Agreement") among the Company, Labrador and the shareholders of Labrador (the "Labrador Shareholders").

Pursuant to the terms and conditions of the Share Exchange Agreement and in consideration for all of the issued and outstanding shares in the capital of Labrador, the Company issued an aggregate of 16,275,001 common shares at a fair value of $0.17 per share, for a total fair value of $2,766,750, to the Labrador Shareholders.

Labrador had purchased a 100% interest (subject to a 1.5% net smelter return royalty ("NSR")) in Benedict Mountains pursuant to a property purchase agreement dated effective February 8, 2024, between Labrador and the former registered and beneficial owner of Benedict Mountains (the "Property Purchase Agreement"). Pursuant to the Share Exchange Agreement, the Company has assumed all of the obligations of Labrador under the Property Purchase Agreement, including a cash payment of $25,000 to be settled on or before February 8, 2025.

The acquisition of Labrador has been accounted for by the Company as an asset acquisition. The acquisition did not qualify as a business combination under IFRS 3 *Business Combinations*, as the significant inputs, processes, and outputs, that together constitute a business, did not exist in Labrador at the time of acquisition. Therefore, the acquisition was accounted for in accordance with guidance provided in IFRS 2 *Share-based payments*. Accordingly, no goodwill was recorded with respect to the acquisition.

A summary of the fair values of assets acquired, liabilities assumed and the purchase price as at the April 1, 2024 acquisition date is as follows:

	$
Consideration	
Fair value of shares issued to the Labrador Shareholders (16,275,001 at $0.17)	2,766,750
Cash payment	25,000
Transaction costs	14,824
	2,806,574
Fair values of acquired assets and liabilities	
Cash	19,592
Subscription receivable	19,000
Exploration and evaluation assets	2,798,514
Accounts payable and accrued liabilities	(30,531)
	2,806,574

(Expressed in Canadian dollars)

EXPLORATION AND EVALUATION ASSETS

A summary of the Company's exploration and evaluation assets is as follows:

	Australian Silver Mines	Benedict Mountains	Century South Silver-Zinc	Cobalt Hill	James Bay Lithium Project	New Age	Tyr South Project	Total
	$		$	$	$	$	$	$
Acquisition cost								
Balance, September 30, 2022	-	-	-	615,000	903,431	-	-	1,518,431
Additions	-	-	47,500	-	-	-	47,500	95,000
Impairment	-	-	(47,500)	-	-	-	(47,500)	(95,000)
Option and sale proceeds	-	-	-	-	(375,000)	-	-	(375,000)
Balance, September 30, 2023	-	-	-	615,000	528,431	-	-	1,143,431
Additions	-	2,798,514	-	-	-	-	-	2,798,514
Balance, June 30, 2024	**-**	**2,798,514**	**-**	**615,000**	**528,431**	**-**	**-**	**3,941,945**
Exploration and evaluation expenditures								
Balance, September 30, 2022	-	-	-	284,358	-	-	-	284,358
Additions	7,261	-	-	2,730	443,503	26,790	20,205	500,489
Impairment	(7,261)	-	-	-	(443,503)	(26,790)	(20,205)	(497,759)
Balance, September 30, 2023	-	-	-	287,088	-	-	-	287,088
Additions	1,932	-	-	-	945	78,314	16,938	98,129
Balance, June 30, 2024	**1,932**	**-**	**-**	**287,088**	**945**	**78,314**	**16,938**	**385,217**
Balance, September 30, 2023	-	-	-	902,088	528,431	-	-	1,430,519
Balance, June 30, 2024	**1,932**	**2,798,514**	**-**	**902,088**	**529,376**	**78,314**	**16,938**	**4,327,162**

Benedict Mountains

On April 1, 2024, pursuant to the terms of the Share Exchange Agreement, the Company acquired 100% of Labrador which owns a 100% interest (subject to a 1.5% NSR) in Benedict Mountains pursuant to the Property Purchase Agreement. Benedict Mountains consists of two mineral licenses covering an area of approximately 350 hectares in the Central Mineral Belt on the east coast of Labrador, Canada, approximately 200 kilometers northeast of Goose Bay.

Pursuant to the Share Exchange Agreement, the Company has assumed all of the obligations of Labrador under the Property Purchase Agreement as follows:

- Pay to the former registered and beneficial owner of the Benedicts Mountain Property (the "Vendor") $25,000 on the closing date February 8, 2024 (paid);
- Pay an additional $25,000 to the Vendor on or before February 8, 2025;
- Issue to the Vendor 1,500,000 common shares in the capital of the Company on the closing date February 8, 2024 (issued, see "Liquidity and Capital Resources - Share capital highlights" section)

Tyr Silver Project and Century South Silver-Zinc Project

On October 15, 2020, pursuant to the terms of the definitive agreement dated August 13, 2020, the Company closed the acquisition for 60% of 1256714 B.C. Ltd. ("TargetCo") which owns a 100% interest (subject to a 2% NSR) in two prospective silver-zinc projects in Australia, being the Tyr Silver Project and the Century South Silver-Zinc Project. On April 5, 2022, pursuant to the terms of the Definitive Agreement dated March 25, 2022, the Company closed the acquisition of an additional 20% of TargetCo. On July 13, 2023, the Company acquired the remaining 20% of the issued and outstanding securities of TargetCo.

During the year ended September 30, 2023, the Tyr Silver Project was fully impaired due to the Company's decision to focus on core projects instead. As a result, the Company recorded an amount of $67,705 on September 30, 2023 as an impairment of exploration and evaluation assets. During the three and nine months ended June 30, 2024, the Company capitalized $1,767 and $16,938, respectively, (2023 - $8,710 and $18,250, respectively) of exploration and evaluation expenditures on the project.

During the year ended September 30, 2023, the Century South Silver-Zinc Project was fully impaired due to the Company's decision to focus on core projects instead. As a result, the Company recorded an amount of $47,500 on September 30, 2023, as an impairment of exploration and evaluation assets.

Cobalt Hill

Pursuant to an option agreement dated February 5, 2018, amended on April 25, 2019 and July 3, 2020, the Company was granted an option to acquire a 100% undivided interest in certain Cobalt Hill mineral claims ("Cobalt Hill") located in the Trail Creek Mining Division in British Columbia.

The Company fulfilled the terms of the option agreement and acquired a 100% undivided interest in Cobalt Hill by making cumulative cash payments totaling $355,000 and issuing a cumulative total of 110,000 common shares of the Company. The optionor retained a 1.5% NSR on Cobalt Hill.

James Bay Lithium Project

In January 2021, the Company completed the acquisition of a 100% interest in and to the Route 381 Lithium ("Route 381"), comprised of 40 mineral claims located in James Bay Territory in Quebec. In consideration for the acquisition, the Company paid the vendors an aggregate of $60,000 in cash and issued 400,000 common shares of the Company with a fair value of $1,720,000. In addition, the Company is subject to grant vendors a 2% NSR.

In December 2021, the Company acquired, by way of staking, 229 mineral exploration claims prospective for lithium in the James Bay region of Quebec, Canada ("Mitsumis").

During the year ended September 30, 2023, the James Bay Lithium Project was partially impaired due to the decrease in the fair value of exploration and evaluation option agreement. As a result, the Company recorded $443,503 on September 30, 2023 as an impairment of exploration and evaluation assets.

New Age Co Properties

On April 14, 2021, the Company announced that it had completed the acquisition of all issued and outstanding securities of New Age Co.

<u>Rare Earth Elements ("REE") (Northern Territory) - Arctic Fox and Isbjorn</u>

Located in Australia's Northern Territory, both properties are in the exploration stage. Arctic Fox is contiguous with the Nolans Bore REE project and the Isbjorn asset is contiguous to the Charley Creek REE project.

<u>Nickel-cobalt-scandium-HPA (New South Wales) - Chinook, Kodiak & Caribou</u>

The three nickel-cobalt-scandium-HPA properties - Chinook, Kodiak and Caribou are located in Australia's central New South Wales, which is considered by management to be a highly prospective region of exploration. During the year ended September 30, 2023, the New Age Co Properties were fully impaired due to the application of IFRS to bring the Company's assets in line with its market capitalization. During the three and nine months ended June 30, 2024, the Company continued to capitalize its ongoing exploration and evaluation expenditures of $1,884 and $78,314, respectively, (2023 - a recovery of $30,049 and an expense of $51,113, respectively) of exploration and evaluation expenditures on the properties.

(Expressed in Canadian dollars)

Option on the James Bay Lithium Project

Effective September 27, 2022, the Company entered into an option agreement (the "Property Option Agreement") with Cygnus Gold Limited ("Cygnus"), whereby the Company granted Cygnus the option to acquire up to an 80% interest in Route 381 and Mitsumis. Option consideration from Cygnus is recorded as a reduction of the properties' capitalized exploration and evaluation assets reflecting a recovery of past costs incurred. On August 1, 2024, Cygnus terminated the Property Option Agreement with the Company, as a result, all the remaining commitments under the first and second options were abandoned.

RESULTS OF OPERATIONS

A summary of the Company's results of operations is as follows:

	Q3 2024	Q3 2023	**YTD 2024**	YTD 2023
	$	$	**$**	$
Operating expenses (income)				
General and administrative expense	**5,285**	(702)	**15,086**	23,329
Management and consulting	**87,000**	63,000	**423,300**	223,158
Marketing and shareholder communication	**243,077**	3,397	**291,974**	5,841
Professional fees	**88,135**	30,117	**220,269**	126,572
Regulatory and filing fees	**9,667**	15,397	**34,721**	39,382
Share-based compensation	**-**	-	**15,594**	-
Total operating expenses	**433,164**	111,209	**1,000,944**	418,282
Other income (expenses)				
Gain on settlement of debt	**-**	-	**9,000**	-
Recovery of impairment (impairment) of exploration and evaluation assets	**-**	12,776	**-**	(110,310)
Interest expense	**(2,947)**	-	**(5,787)**	-
Interest income	**-**	-	**725**	-
Amortization of flow-through premium liability	**-**	453	**-**	39,683
Net loss and comprehensive loss	**(436,111)**	(97,980)	**(997,006)**	(488,909)
Net loss and comprehensive attributable to:				
Shareholders of the Company	**(436,111)**	(96,238)	**(997,006)**	(485,259)
Non-controlling interest	**-**	(1,742)	**-**	(3,650)

Q3 2024 compared to Q3 2023:

Net loss and comprehensive loss increased to $436,111 from $97,980 in the prior year comparable period. The primary drivers of the increase in the net loss were:

- Management and consulting increased to $87,000 from $63,000 in the prior year comparable period due to increased management, consulting and advisory services retained in the current period. These services related to sourcing new projects and properties, strategic planning, and business development.
- Marketing and shareholder communication increased to $243,077 from $3,397 in the prior year comparable period due to additional media and marketing campaigns in the current period to support capital raising activities.
- Professional fees increased to $88,135 from $30,117 in the prior year comparable period due to higher legal expenses relating to the Labrador acquisition in the current period.
- Impairment of exploration and evaluation assets was a recovery of $12,776 in the prior year comparable period due to a refund of a deposit on exploration and evaluation expenses on the New Age Co Properties.

Partially offsetting the increase in the net loss and comprehensive loss was regulatory and filing fees which decreased to $9,667 from $15,397 in the prior year comparable period mainly due to fees arising from the acquisition of an additional 20% of the outstanding shares of TargetCo in the prior year comparable period, and an agreement with a commercial press release service which is non-recurring in the current period.

(Expressed in Canadian dollars)

YTD 2024 compared to YTD 2023:

Net loss and comprehensive loss increased to $997,006 from $488,909 in the prior year comparable period. The primary drivers of the increase in the net loss were:

- Management and consulting increased to $423,300 from $223,158 in the prior year comparable period due to increased management, consulting and advisory services retained in the current period. These services related to sourcing new projects and properties, strategic planning, and business development.
- Marketing and shareholder communication increased to $291,974 from $5,841 in the prior year comparable period due to additional media campaigns, capital marketing activities and financings in the current period to support capital raising activities.
- Professional fees increased to $220,269 from $126,572 in the prior year comparable period due to legal fees associated with the three private placements and the Labrador acquisition in the current period.
- Share-based compensation was $15,594 due to stock options granted to the CEO in the current period that vested immediately.
- Amortization of flow-through premium liability decreased to $nil from $39,683 in the prior year comparable period due to eligible expenditures spent in the prior year comparable period.

Partially offsetting the increase in the net loss and comprehensive loss were decreases to expenses and an increase to other income as follows:

- General and administrative decreased to $15,086 from $23,329 in the prior year comparable period mainly due to directors' and officers' insurance for the first seven months of the prior year comparable period not in place in the current period and higher banking plan fees in the prior year comparable period.
- Impairment of exploration and evaluation assets of $110,310 in the prior year comparable period was mainly related to James Bay Lithium Project and the New Age Co Properties. The total impairment charge of $485,310 was partially offset by option proceeds of $375,000 in the prior year comparable period.
- Gain on settlement of debt increased to $9,000 from $nil in the prior year comparable period due to the settlement of trade payables in the amount of $90,000 by issuing 900,000 common shares at $0.09 for a fair value of $81,000 during the current period.

SUMMARY OF QUARTERLY RESULTS

A summary of selected information from the Company's financial statements for the past eight quarters is as follows:

	Q3 2024	Q2 2024	Q1 2024	Q4 2023
	$	$	$	$
Net loss and comprehensive loss	**436,111**	453,165	107,732	601,072
Total assets	**4,496,144**	2,325,056	1,725,617	1,637,473
Working capital surplus (deficit)	**(317,842)**	155,567	(520,414)	(270,107)
Total liabilities	**486,824**	646,375	672,937	477,061
Net loss per share - basic and diluted	**(0.02)**	0.04	0.01	0.06

	Q3 2023	Q2 2023	Q1 2023	Q4 2022
	$	$	$	$
Net loss and comprehensive loss	97,980	213,267	177,662	13,213,156
Total assets	2,007,624	2,062,691	2,555,352	2,857,029
Working capital surplus (deficit)	(139,035)	(41,055)	174,942	352,604
Current liabilities	341,140	298,227	577,621	701,636
Net loss per share - basic and diluted	0.01	0.02	0.02	0.14

All of the Company's exploration and evaluation assets are in the exploration stage. The Company has not had revenue from inception and does not expect to have revenue in the near future. The Company's operating results are not seasonal in nature and have been mainly due to the amount of exploration activities on projects.

(Expressed in Canadian dollars)

During the last eight quarters, the Company's loss and comprehensive loss ranged from $97,980 to $13,213,156. The loss and comprehensive loss for Q4 2022 was mainly due to a $12.8 million evaluation and exploration asset impairment from the Tyr Silver and James Bay Lithium Projects. The increase in net loss in Q4 2023 was largely due to the full impairment of the Tyr Silver Project and the partial impairment of the James Bay Lithium Project. The increase in net loss in Q2 and Q3 2024 is due to higher expenditures on marketing campaigns and consulting fees to support capital raising activities and acquisition of Labrador. These services related to sourcing new projects and properties, strategic planning, and business development.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2024, the Company's working capital deficit increased to $317,842 from $270,107 as at September 30, 2023.

A summary of the Company's cash flows are as follows:

	YTD 2024	YTD 2023
	$	$
Cash used in operating activities	**(888,611)**	(606,653)
Cash used in investing activities	**(127,415)**	(113,040)
Cash provided by financing activities	**1,057,570**	-
Net change in cash	**41,544**	(719,693)
Cash, beginning of period	**36,715**	762,790
Cash, end of period	**78,259**	43,097

Cash used in operating activities was $888,611 compared to $606,653 in the prior year comparable period due to higher expenditures on marketing campaigns and consulting fees. These services related to sourcing new projects and properties, strategic planning, and business development.

Cash used in investing activities was $127,415 compared to $113,040 in the prior year comparable period mainly due to the higher cash spent on exploration and evaluation of $488,040 in the prior year comparable period, compared to $132,371 in the current period, partially being offset by option proceeds of $375,000.

Cash provided by financing activities of $1,057,570 during the current period is a result of the Company receiving proceeds from a note payable for $75,000 on December 21, 2023 and net proceeds of $982,570 from the closing of three non-brokered private placements in March 2024.

Reconciliation of the use of proceeds from March 2024 private placements

A summary of the Company's use of funds for the March 2024 private placement as at June 30, 2024 is as follows:

	Intended use of proceeds	**Actual use of proceeds**	**(Over)/under expenditure**	**Explanation of variance**
	$	$	$	
Total net proceeds	**982,570**			
Expected allocation of proceeds:				
Property payments	47,500	10,012	37,488	Due to timing
Property exploration	105,000	764	104,236	Due to timing
Marketing	100,000	116,687	(16,687)	Expanded digital marketing scope
General working capital	730,070	222,513	507,557	Due to timing
	982,570	**349,976**	**632,594**	

Share capital highlights

During the year ended September 30, 2023, the Company had the following share capital transaction:

- On May 9, 2023, the Company consolidated its outstanding common shares on a ten-for-one basis. The Company's post-consolidation shares began trading on the Canadian Securities Exchange on May 9, 2023.
- On July 13, 2023, the Company issued 500,000 common shares at $0.19 per share for a fair value of $95,000 for the remaining 20% of TargetCo.

During the nine months ended June 30, 2024, the Company had the following share capital transactions:

- On January 17, 2024, the Company issued 900,000 common shares with a fair value of $81,000 for settlement of accounts payable and accrued liabilities in the amount of $90,000. As a result of the debt settlement, the Company recorded a gain on debt settlement of $9,000 in profit or loss.
- On March 8, 2024, the Company issued 4,290,000 common shares pursuant to a private placement at $0.10 per common share (the "LIFE Offering") for gross proceeds of $429,000. Share issuance costs on the LIFE Offering consisted of cash commissions paid to finders of $6,315 and brokers fees of $3,600.
- On March 8, 2024, the Company issued 4,460,000 common shares pursuant to a private placement and closed its first tranche of the Concurrent PP for gross proceeds of $446,000. Share issuance costs on the first tranche of the Concurrent PP consisted of cash commissions paid to finders of $6,565 and brokers fees of $2,100.
- On March 15, 2024, the Company issued 1,300,000 common shares and closed its second tranche of a concurrent $0.10 share financing (the "Concurrent PP") for gross proceeds of $130,000. Share issuance cost on the second tranche of the Concurrent PP was $3,850 which was cash commissions paid to finders.
- On April 1, 2024, the Company issued 16,275,001 common shares pursuant to the Share Exchange Agreement to acquire Labrador at $0.17 per common share for a total fair value of $2,766,750. 1,500,000 of these common shares were issued to satisfy one of the obligations under the Benedict Mountains Property Purchase Agreement.

LIQUIDITY OUTLOOK

The Company's cash position is highly dependent on its ability to raise cash through financings and debt.

As other opportunities become available to the Company and subject to exploration work on the Company's project and results from such exploration program is determined, management may be required to complete additional financing.

This outlook is based on the Company's current financial position and is subject to change if opportunities become available based on exploration program results and/or external opportunities. At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

To finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company will need to raise funds through equity sales, from the exercise of convertible securities, debt, deferral of payments to related parties, or other forms of raising capital. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the short and long term but recognizes that there will be risks involved which may be beyond its control.

The Company continues to evaluate financing options including, but not limited to, the issuance of additional equity and debt. The Company has no assurance that such financing will be available or be available on favorable terms. Factors that could affect the availability of financing include the Company's performance (as measured by numerous factors including the progress and results of its projects), the state of international debt and equity markets, investor perceptions and expectations and the global financial and metals markets.

SIGNIFICANT ACCOUNTING JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The Company's significant accounting judgments and sources of estimation uncertainty are described in the notes of the Annual Financial Statements.

(Expressed in Canadian dollars)

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer.

A summary of the Company's related party transactions is as follows:

	Q3 2024	Q3 2023	**YTD 2024**	YTD 2023
	$	$	$	$
Management and consulting	**21,000**	33,000	**75,000**	99,000
Share-based compensation	**-**	-	**15,594**	-
	21,000	**33,000**	**90,594**	**99,000**

As at June 30, 2024, the Company had $142,212 (September 30, 2023 - $57,950) due to related parties. Of this amount, $61,425 (September 30, 2023 - $57,950) is in respect of the services rendered, is non-interest bearing and is payable on demand. The remaining $80,787 (September 30, 2023 - $nil) is in respect of a note payable due to Aion Capital Inc. which is a related entity to one of the Company's directors.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as at June 30, 2024 or the MD&A Date.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and note payable measured at amortized cost. Their fair values approximate their carrying values due to their short-term nature.

The financial instruments expose the Company to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. The Company is exposed to credit risk through its cash. The Company reduces its credit risk on cash by placing these instruments with financial institutions of high credit worthiness. As at June 30, 2024, the Company is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed through its accounts payable and note payable. The Company's accounts payable are all current and due within 90 days of the balance sheet date. The Company has a working capital deficit of $341,211. As at June 30, 2024, the Company anticipates that it will need to raise additional funding in order to continue to fund its exploration and evaluation activities.

Foreign exchange risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rates. As at June 30, 2024, the Company is not exposed to significant foreign currency risk.

(Expressed in Canadian dollars)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at June 30, 2024, the Company is not exposed to significant interest rate risk.

SUBSEQUENT EVENT

On August 1, 2024, Cygnus terminated the Property Option Agreement (See "Exploration and evaluation Assets - Option on the James Bay Lithium Project" section).

OUTSTANDING SHARE DATA

A summary of the Company's issued and outstanding securities is as follows:

	June 30, 2024	MD&A Date
	#	#
Common shares issued and outstanding	36,483,733	36,483,733
Share purchase warrants	501,600	501,600
Stock options	620,000	620,000

RISKS AND UNCERTAINTIES

For a detailed listing of the risks and uncertainties faced by the Company, please refer to the Company's MD&A for the years ended September 30, 2023 and 2022.

ADDITIONAL INFORMATION

Additional information about the Company is available on the Company's website at https://megawattmetals.com/ and SEDAR+ at http://www.sedarplus.ca.